

RESOLUTION NO. 2012-46

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUNTINGTON
BEACH AMENDING THE MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY AND THE HUNTINGTON BEACH MANAGEMENT
EMPLOYEES' ORGANIZATION (MEO), BY ADOPTING THE SIDE LETTER
OF AGREEMENT**

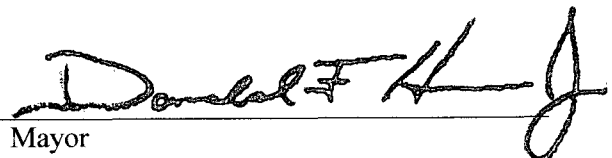
WHEREAS, on May 21, 2007, the City Council of Huntington Beach adopted Resolution No. 2007-33 for the purpose of adopting the Memorandum of Understanding (MOU) between the City and the Huntington Beach Management Employees' Organization (MEO);

Subsequent to the adoption of the MOU, the City of Huntington Beach and MEO agreed to changes, corrections, and clarifications to the MOU that are reflected in a Side Letter of Agreement between the City of Huntington Beach and MEO ("Side Letter of Agreement") attached hereto as **Exhibit A** and incorporated herein by this reference.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Huntington Beach as follows:

- Section 1. The Side Letter of Agreement attached hereto as **Exhibit A** is approved and adopted.
- Section 2. The Side Letter of Agreement amends the MOU between the City of Huntington Beach and MEO.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the 20th day of August, 2012.


Mayor

REVIEWED AND APPROVED


City Manager

INITIATED AND APPROVED


Director of Human Resources

APPROVED AS TO FORM:


City Attorney

City of Huntington Beach
SIDE LETTER AGREEMENT

The Management Employees Organization ("MEO") and the City of Huntington Beach ("City") hereby agree to this side letter to the 12/20/06 – 12/19/08 Memorandum of Understanding ("MOU"), as amended by previous Side Letters, including the 12/17/07, 03/15/10, 11/7/11 and 03/05/12 Side Letters. The City and MEO agree that the following provisions of the MOU are amended to read as follows:

ARTICLE I - TERM OF MOU

The Term of the MOU is extended through December 20, 2012.

ARTICLE XI – Retirement Benefits

Public Employees' Retirement System Reimbursement and Reporting

1. Employee's Contribution

Effective October 1, 2012, each employee, hired prior to December 21, 2012, covered by this Agreement shall be reimbursed once bi-weekly in the amount specified herein of the employee's base salary as a pickup of the employee's contribution, or portion of such contribution, to the Public Employees' Retirement System. The above PERS pickup is not base salary, but is done pursuant to Section 414(h) (2) of the Internal Revenue Code.

Beginning of the Pay Period that includes:	Employer Paid Member Contribution	Employee Paid Share
October 1, 2012	1.25% - Miscellaneous	6.75%
October 1, 2012	2.25% - Safety	6.75%

- a.) Employees hired on or after December 21, 2012, shall not be reimbursed under this section, but shall pay 100% of the Employee share under the Safety (9%) or Miscellaneous (8%) retirement plan.

Two-Tier Retirement

- i. If all other impacted units agree, and subject to CalPERS policy and procedures, the Association agrees to the implementation of a 2nd Tier MISCELLANEOUS Retirement Benefit Formula of 2% at 55 during the term of this agreement. The City and MEO shall meet and confer on any lesser retirement formula. All employees hired after the date of implementation of the 2nd Tier Retirement Benefit Formula shall pay 100% of the employee-share of CalPERS.
- ii. If all other SAFETY units agree, and subject to CalPERS policy and procedure, the Association agrees to the implementation of a 2nd Tier SAFETY Retirement Benefit Formula of 3% at 55 during the term of this agreement. The City and MEO shall meet and confer on any lesser retirement formula. All employees

hired after the date of implementation of the 2nd Tier Retirement Benefit Formula shall pay 100% of the employee-share of CalPERS.

ARTICLE XII – LEAVE BENEFITS

A. Leave With Pay

1. General Leave

b. Eligibility and Approval

General Leave must be pre-approved except for illness, injury or family sickness, which may require a physician's statement for approval. General Leave accrued time is to be computed from hire date anniversary. Employees shall not be permitted to take general leave in excess of actual time earned. Effective the beginning of the pay period which includes November 1, 2011, and continuing until the end of the pay period which includes December 20, 2012, employees shall not accrue General Leave in excess of seven hundred (700) hours. Employee's will not earn General Leave hours in excess of seven hundred (700) hours and shall not be paid the cash value of any additional hours beyond seven hundred (700) in their paycheck for the full duration of the time provided herein. Employees may not use their General Leave to advance their separation date on retirement or other separation from employment. Effective the end of the pay period which includes December 20, 2012, the parties agree to return to the original language contained in *Article XII, Section 1 – General Leave, (b.) Eligibility and Approval* of the MEO Memorandum of Understanding as of December 20, 2007.

- i.** All General Leave accruals exceeding 640 hours as of December 20, 2012, will not be eligible for cash-out, for cash out at separation or for overage payment. Employees separating City service through December 20, 2012 shall be limited to 640 hours of General Leave as final pay out.

Side-Letter Implementation

MEO agrees that these items (CalPERS Pickup and Two Tier) will NOT sunset at the expiration of the MOU extension period and will remain in effect until a successor agreement is reached.

The parties further agree to continue to meet and confer regarding additional items to be considered for inclusion within a successor MOU, including but not limited to, Article IX – Hours of Work/Administrative Leave, Article X – Health and Other Insurance Benefits, Article XIII (C) – Rules Governing Layoff, Reduction in Lieu of Layoff and Re-employment.

The parties agree that the execution of this side-letter agreement may not be challenged by the Association or any employee it is recognized to represent through the City's grievance

procedure or in any other forum unless the challenge is based upon a factual allegation that the Agreement was the product of fraud, intentional misrepresentation or unlawful coercion on the part of City representatives.

IN WITNESS WHEREOF, the parties have caused this SIDE LETTER AGREEMENT to be executed by and through their authorized officers on AUGUST 20, 2012.

**Huntington Beach
Management Employees' Organization**

Scott Field

Scott Field
President

Dated: 8/9/12

Tom Graham

Tom Graham
Vice President

Dated: 8.9.12

City of Huntington Beach

Fred A. Wilson

Fred A. Wilson
City Manager

Dated: _____

Michele Warren

Michele Warren
Director of Human Resources

Dated: 8/9/12

APPROVED AS TO FORM:

Jennifer M. McGrath

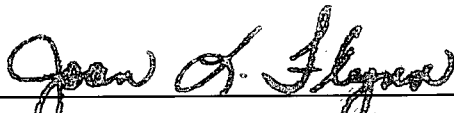
Jennifer M. McGrath
City Attorney

Dated: 8/13/12

STATE OF CALIFORNIA
COUNTY OF ORANGE) ss:
CITY OF HUNTINGTON BEACH)

I, JOAN L. FLYNN the duly elected, qualified City Clerk of the City of Huntington Beach, and ex-officio Clerk of the City Council of said City, do hereby certify that the whole number of members of the City Council of the City of Huntington Beach is seven; that the foregoing resolution was passed and adopted by the affirmative vote of at least a majority of all the members of said City Council at a **regular** meeting thereof held on **August 20, 2012** by the following vote:

AYES: Shaw, Harper, Dwyer, Hansen, Carchio, Bohr, Boardman
NOES: None
ABSENT: None
ABSTAIN: None



City Clerk and ex-officio Clerk of the
City Council of the City of
Huntington Beach, California